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DRAFT Environmental and Social Management Framework (ESMF)

For a UNDP-supported, GEF-financed Project in PNG:

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DRAFT FOR FEEDBACK

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Executive Summary

This Environment and Social Management Framework (ESMF) covers the “*Sustainable Finance of Papua New Guinea’s Protected Area Network Project*” prepared by the UNDP as the GEF Agency in close collaboration with PNG Government through the Conservation and Environment Protection Authority. As background, this Project builds on the achievements and lessons from the current GEF 4 & 5 projects, where relevant. Please refer to the Project Document for details.

This ESMF has been prepared based on the social and environment screening procedure (UNDP’s SESP) that was completed as part of the project design phase that included consultations with implementing partners, local communities, private sector and civil society entities. This screening resulted in the identification of 6 risks of which 1 risk was considered “low” risk while 5 of these risks were considered “moderate”, resulting in an overall social and environmental risk categorization of “Moderate” for the Project.

This ESMF has been developed on the basis of the project risk categorization and to outline the processes that will be undertaken during the project inception/implementation phases for the additional assessment of potential impacts and identification and development of appropriate risk management measures, consistent with UNDP’s Social and Environmental Standards (SES).

This ESMF identifies the steps that will be followed during the inception/implementation phases for the completion of stand-alone management plans as justified based on the results of the SESP for the moderate risks identified.

This ESMF also details the roles and responsibilities for its implementation and includes a detailed budget and monitoring and evaluation plan.

Abbreviations and Acronyms

CI	Conservation International
EIA	Environmental Impact Assessment
ESIA	Environmental and Social Impact Assessment
ESMF	Environmental and Social Management Framework
ESMP	Environmental and Social Management Plan
FPIC	Free, prior and informed consent
GEF	Global Environment Facility
PA	Protected Area
PIF	Project Identification Form (GEF)
PIR	GEF Project Implementation Report
PNG	Papua New Guinea
POPP	Programme and Operations Policies and Procedures (UNDP)
PPG	Project Preparation Grant (GEF)
SECU	Social and Environmental Compliance Review Unit (UNDP)
SES	Social and Environmental Standards (UNDP)
SESP	Social and Environmental Screening Procedure (UNDP)
SRM	Stakeholder Response Mechanism (UNDP)
UNDP	United Nations Development Programme
UNDP-GEF	UNDP Global Environmental Finance Unit

1 Introduction

This Environmental and Social Management Framework (ESMF) has been prepared by UNDP in collaboration with the Conservation and Environment Protection Authority (CEPA) for the *“Sustainable Finance of Papua New Guinea’s Protected Area Network Project”*.

The Project will work to extend Government of PNG’s ability to fulfil its protected area mandate and implement the Protected Area Policy: (i) secure stable and long-term financial resources for the management of protected areas across the country; (ii) ensure that these financial resources are allocated to contribute to improving effectiveness of the management of the protected areas across the country; and (iii) ensure that they are managed cost-effectively and efficiently with respect to their conservation and other complementary development objectives. The project will assist with the development of a diversified mix of conventional and innovative funding sources and consolidate revenues to finance the ongoing costs of establishing and managing protected areas, and assist the Government to establish a Biodiversity Fund – that will be built on a secure, accountable and transparent financial mechanism, for receiving, administering and disbursing funds.

1.1 Project description

The objective of the *“Sustainable Finance of Papua New Guinea’s Protected Area Network Project”* is aimed to implement solutions that will overcome the root causes to the threats to biodiversity, ecosystem services and ecological processes by reducing the funding gap for Papua New Guinea’s protected areas to improve their management effectiveness, and livelihoods of their communal landowners.

The social and environmental objectives of the Project under this ESMF are:

- Conserve globally significant biodiversity within the PA network in PNG;
- Enhance enabling conditions to improve the capacity and governance systems of the PA network;
- Establish the Biodiversity Fund to manage and consolidate funds for exclusive use across the PA system;
- Promote sustainable livelihoods and management practices in utilisation of natural resources;
- Increase climate resilience and adaptive capacity of the pilot site protected areas and communities relying on the ecosystem goods and services of the protected areas; and
- Strengthen management capacity and financial sustainability of individual protected areas.

Project Implementing Partner: Conservation and Environment Protection under the Ministry of Environment and Climate Change (CEPA/MECC)

Project Components: *Component 1: Enabling conditions for improving the sustainability of the protected area system* that focuses on i) ensuring a clear understanding among relevant institutions of their specific roles in protected area management, including how they are financed and ii) building the capacity and governance systems within those organisations that have a specific mandate and need in the management of protected areas, to include local communities as land owners and land users.

Component 2: Establishment, operationalisation and mobilization of funding for a Biodiversity Fund. This component will focus on the establishment of the Biodiversity Fund for PNG and, will assist with the establishment of mechanisms to manage and consolidate funds for exclusive use across the PA system in PNG including the necessary documentation and governance structures associated with this.

Component 3: Enhanced management capacity and financial sustainability of individual protected areas will focus specifically on i) testing mechanisms to deliver funds from the Biodiversity Fund to selected protected areas, ii) piloting mechanisms that will consolidate revenue and re-invested into the management of a small number of sites, and iii) learning from the diverse practices that are being implemented by various partner organisations across the country. Project demonstration sites will be in the Sepik Wetlands in the East Sepik Province, Mount Wilhelm and surrounds in the Simbu Province, and Kimbe Bay in the West New Britain Province.

The duration of the Project is seven years (2018-2025).

1.2 Purpose and scope of this ESMF

This ESMF is a management tool to assist in managing potential adverse social and environmental impacts associated with activities of the UNDP supported GEF funded Project, in line with the requirements of the UNDP Social and Environmental Standards (SES). The implementing partners of the Project and the Project Management Unit will follow this ESMF to ensure the environmental and social risks and impacts are fully assessed and management measures are in place prior to the implementation of the relevant Project activities.

This ESMF identifies the steps for detailed screening and assessment for the project's potential social and environmental risks, and for preparing and approving the required management plans for avoiding, and where avoidance is not possible, reducing, mitigating and managing these potential adverse impacts.

1.3 Potential Social and Environmental Impacts

During the Project Preparation phase, the UNDP Social and Environmental Screening Procedure (SESP) was used to identify potential social and environmental risks associated with this Project. The screening highlighted the Project intentions as they related to mainstreaming human rights, gender equality and women's empowerment and environment sustainability.

The SESP identified a total of 6 risks of which one has been assessed as low significance and 5 as moderate significance hence overall SESP risk categorization rating is "moderate". The project document includes the SESP template that details the specific environmental and social risks identified. The risks apply to the project components 1 and 3 (no risks identified for component 2 on the establishment of a Biodiversity Fund).

Moderate Risk: defined by UNDP's SES¹ as *"Projects that include activities with potential adverse social and environmental risks and impacts that are limited in scale, can be identified with a reasonable degree of certainty, and can be addressed through application of standard best practice, mitigation measures and stakeholder engagement during Project implementation."*

The "moderate" risk categorization was linked firstly to non- participation of community members in decisions related to land, culture and rights via Risk 1.

Risk 1: Not all community members might be fully engaged in decisions that affect their land, culture and rights.

The risk relates to Standard 6 on Indigenous Peoples, given that they own and live on their land. The Project needs to facilitate for mechanisms to engage disadvantaged groups, vulnerable, minorities, poor and women in decisions related to land, culture and rights. These members of the community are not fully engaged and not able to claim their rights due to their own limited knowledge/capacity/power. Hence indigenous peoples are at risk. It should be mentioned that there are cultural elements that exist in patrilineal village communities where decisions have always been made by the men and so it is important when facilitating discussions at the community level to engage more participatory methods to gather collective views, instead of working against cultural norms. There is the issue of devising key community messages that need to be tested before communicated. Lessons learnt from GEF 4 could be useful. Similarly, there is need for cross learnings i.e. landowner communities from GEF 4 pilot sites to assist in facilitation of awareness of protected areas in order to strengthen the PA Network across PNG.

This risk also relates to duty bearers such as CEPA, provincial government entities not meeting their obligations to deliver adequate services/legal protection etc...to the communities engaged in existing or potential protected areas, against illegal occupation. In this context, managing expectations is a challenge in balancing the protected areas and at the same time considering provision of services. The land is customary owned so that landowners have the right to make decisions on the use of their land (to participate with extractives or protect biodiversity significant areas) and the need to make fully informed decisions and consideration of options for land uses will

¹ UNDP SES, page 47.

need to be constantly communicated. The principal threat to the land is from logging, mining and other extractive licences as well as SABLs.

The next risk is inequitable distribution of benefits from use of traditional knowledge for income generating opportunities.

This risk emanated from consultations within a protected area in the Sepik Wetlands, where the village leader informed of benefits derived by individuals in the trade of unprocessed non-timber forest products across the Indonesian Border into the Asian market. The communities requested for assistance in support in terms of value adding and marketing. This is an opportunity, amongst others identified by communities, for sustainable livelihoods that complements with sustainable practices, protected areas. The trade of natural resources across the Border and the value chain is a need that should be considered as well as markets. Informing communities on the need for collective benefits to trigger social services that may be provided by church mission organisations, donors could assist to complement government service providers.

The third risk identified was related to project interventions being vulnerable to climate change impacts and other natural disasters

This likelihood of climate change is high and communities living in protected areas observe natural changes in their daily activities. The impacts on transportation costs are evident. For example, in the context of the Sepik wetlands, it was observed that river levels were low rendering non-use of short cut routes from village to village by dinghies so that more dinghy fuel is needed for travel over long distances adding more costs to logistics. This will impact on Project community consultations, meetings and trainings etc.

The next risk is related to gender equality and concerns raised about GBV and promotion of women in leadership roles.

These concerns were raised in the situation analysis. This is more prevalent in areas where there is more cash in the system and where high alcohol and drug abuse exists. The role of the church is also important to consider as an important partner to assist with social issues and targeting healthy holistic living. Strong community leadership is key as well. Some cross learnings on community leadership from other protected areas may be useful as part of mitigation measures. There is a Gender Action Plan but this needs to be assessed further before Project inception.

Risk 5: Ecosystem and habitants damage by uncontrolled tourism – this risk was given a low rating due to low volume of tourists, visiting pilot sites.

Risk 6 was community groups protecting rightful control over their natural resources being exposed to threats of actual violence by logging/mining companies wanting to gain access and control over these lands

The only reason why the project may lead to exacerbated conflict among and/or the risk of violence to project-affected communities and individuals would be because the level of legal protection for those communities' or individuals' lands would be increased under the Project – leading to conflicts/violence with illegal land-grabbers. In the absence of the project (and the legal protection afforded by it), people are concerned by their exposure to threats of actual violence by logging/mining companies and others wanting to gain access and control over those lands. For one of the pilot sites, there is a proposed copper mine proposed upstream of the wetlands in another Province and there is concern of mine pollution and the possibility of installing a dam upstream for the copper mine's power source which may raise the Risk rating. Lack of information to the communities has created uncertainty for the pilot site and the Project. CEPA issues the environment permit for extractive industries and facilitates public hearings as part of the permitting process and therefore it is important that all relevant regulatory and conservation related sections in CEPA work collaboratively.

The benefits to the Project in terms of addressing these risks are as follows:

- Conservation of PNG's biodiversity including globally significant species and ecologically important habitats (e.g. Key Biodiversity Areas).
- Better informed communities informed via meaningful consultations.
- Strengthened PA Network via cross learnings.
- Strengthened institutions to carry out enforcement and service provision to complement the protected area work.

- Alternative livelihood options will be introduced to pilot communities on the project, to reduce pressures on limited ecosystem goods and services. The need to work with what the communities identify as their need is key to making this successful.
- Local communities and PA management staff will also be provided targeted training, to increase awareness and knowledge on the value of protected areas.
- Gender issues addressed.
- Awareness of climate change impacts for project implementation.

2 Legislation and Institutional Frameworks for environmental and social matters

2.1 National Legislation, Policies and Regulations

The following policies and legislations are relevant to the implementation of the Project.

PNG Constitution

The national constitution was established when PNG gained independence in 1975 and is one of the few unique constitutions that contain the rights and freedoms contained in the United Nations Charter and the Universal Declaration of Human Rights 1948. The constitution reflect civil and political rights enforced by law. For example, section 32 on the right to freedom. The National Goals and guiding principles provide for economic, social and cultural rights. The following national goals are relevant for the project risks as they relate to equality and participation, strict control of foreign investment, natural resource management and environment and PNG ways.

The 2nd National Goal is about equality and participation and reads: *We declare our second goal to be for all citizens to have an equal opportunity to participate in, and benefit from, the development of our country.* One of the guiding principles encourages equal participation by women citizens in all political, economic, social and religious activities, amongst others. The reality is that women citizens still struggle to gain equal participation. For example, there are currently no female members of parliament. Women candidates comprised 5% of the total candidates in the last national elections held in 2017.

The 3rd National Goal is about national sovereignty and self-reliance and reads: *We declare our third goal to be for Papua New Guinea to be politically and economically independent, and our economy basically self-reliant.* Exercising strict control of foreign investment has been poorly implemented and there a number of examples in the logging and oil & gas and construction sectors.

The 4th National Goal reads: *We declare our fourth goal to be for Papua New Guinea's natural resources and environment to be conserved and used for the collective benefit of us all, and be replenished for the benefit of future generations.* This Goal provides the basis of the environment protection and conservation laws. The enforcement of these laws and regulations requires strengthening. It is a challenge to keep a balance between medium to large resource extractive development and environment protection and conservation enforcement, especially when the political will favours extractives development.

The 5th National Goal is about Papua New Guinean ways and reads: *We declare our fifth goal to be to achieve development primarily through the use of Papua New Guinean forms of social, political and economic organization.* This relates to customary ownership and the deep and complex time consuming iterative processes of meaningful community consultations that embraces Free Prior Informed Consent principles.

Vision 2050

Vision 2050, launched in November 2009, envisages "Papua New Guinea will be a Smart, Wise, Vibrant and Happy Country by 2050". This document maps out the country's future development initiatives in the next 40 years (2010-2050) based on mutually reinforcing roles of economic growth, human development and environmental management. Majority of its pillars or strategic focus directly relates to this project: Human Capital Development, Gender, Youth and People Empowerment; Institutional Development and Service Delivery; Environment Sustainability and Climate Change; Spiritual, Cultural and Community Development; and Strategic planning, integration and control.

National Strategy for Responsible Sustainable Development for PNG

A call for a "paradigm shift" towards a green economy that promotes cost-effective and resource efficient ways towards responsible development. It is the first national strategy that recognises the natural capital have the potential to become the growth drivers in the future².

² Department of National Planning and Monitoring. (2014) National Strategy for Responsible Sustainable Development for Papua New Guinea. 2nd edition. Department of National Planning and Monitoring, Government of Papua New Guinea.

To complement these high-level plans, the government has developed other significant policies that recognise the importance of the environment and of sustainable resource use while improving social and economic mobility, including the (i) newly launched third successive Medium-Term Development Plan 2018-2022, (ii) National Population Policy 2015-2024, (iii) National Climate Compatible Development Management Policy 2014, (iv) PNG Marine Program on Coral Reefs, Fisheries and Food Security 2010-2013³ (new version currently in draft), and (v) PNG National REDD+ Strategy 2017-2027.

PNG Protected Areas Policy on Protected Areas

First national policy that lays out a progressive and ambitious vision for protected areas of the country – and for CEPA, which it asserts is “the lead agency for protected areas in PNG, setting the standards, providing overview and support, and coordinating the complex array of activities ... ensuring that Protected Areas are managed as an effective and cohesive network”. It describes very clearly CEPA’s mandate⁴ that takes on the lead responsibility with the establishment and management of national protected areas while instituting governance arrangements at subnational levels where provincial and Local Level Governments, landowner communities and even private companies to declare and gazetted protected areas. One of its pillar, pertains to sustainable and equitable financing for Protected Areas through a Biodiversity Trust Fund and other mechanisms such as biodiversity and ecosystem services offsets including Payment for Environmental Services, and small grant programs to deliver funding directly to support local communities in the establishment and management of protected areas.

The Project has a direct policy linkage that forms the strong basis for related provisions in the proposed Protected Areas legislation that is yet to be passed by the PNG Parliament.

General Environmental Protection:

Conservation and Environment Protection Authority Act (2014) refers to existing “environmental conservation laws and policy directions”, most specifically the **Conservation Areas Act (Chapter 362)** of 1978 and the **Environment Act** 2000⁵. In Part II, Section 8 of the CEPA Act, the “Functions of the Authority” are described, including⁶:

- a. “To do all things necessary for the conservation and protection of the environment in accordance with the environmental conservation laws and any policy directions of the Minister and the National Executive Council; and
- b. “To co-ordinate with provincial and local-level governments and sub-national authorities to foster, manage and monitor environmental conservation strategies and programmes in the country; and
- c. [Pertinent to this project] “To impose and receive rents, fees, charges and bonds in respect of its functions under any environmental conservation law, including but not limited to providing services related to the approval and issue of environment permits and the investigation and audit of activities under the Environment Act 2000; and
- d. “To promote Papua New Guinea's laws, regulations and policies relating to conservation and environment matters within the country and overseas; and
- e. “To give advice to the Minister and maintain dialogue with other government agencies on environmental conservation laws and policies”

Conservation Areas Act 1978 was amended in 1992 to provide for the protection of biodiversity through declaration and setting aside of conservation areas which is evidenced by a certificate of registration.⁷ By the Act entering of the name of the conservation area in the Register of Conservation Areas kept by DEC/CEPA is conclusive proof of the declaration as a conservation site (s20).

³ Government of Papua New Guinea. (2010) PNG Marine Program on Coral Reefs, Fisheries and Food Security 2010 – 2013. Coral Triangle Initiative.

⁴ See Appendix 3 (on pg 76) of the Policy.

⁵ But most authors also suggest that it also refers to other laws, including: Fauna Protection Act 1966 (Amended 1974,1976), Crocodile (Trade Protection) Act 1973, International Trade of Endangered Species (Fauna & Flora) Act 1978 (Amended 2003)

⁶ Of the functions described in the Act, these are the most pertinent, as they relate (albeit obliquely) to protected areas.

⁷ Conservation Areas Act 1978, Revised Laws of Papua New Guinea, Chapter 362, s23 [Conservation Act]

Environment Act (2000) is the law that requires resource developments to consider Environment Impact Assessment (EIA) processes, based on the level of significant impacts. Section 5 requires attention to protection of areas of significant biological diversity and the habitats of rare, unique or endangered species; and the recognition of the role of landowners in decision making about development of the resources on their land; and responsible and sustainable economic development. Despite references to the social impacts there is not much attention or oversight, given to monitoring social aspects of resource developments. The EIA is supposed to work in collaboration with line resource agencies to be more effective.

Other Acts related to protected areas and fauna and flora that are administered by the CEPA are i) Fauna (Protection & Control) Act (FPCA) 1966; ii) International (Fauna & Flora) Trade Act 1978 (ITESA) and regulation; iii) Crocodile (Trade & Protection) Act 1978 (CTPA) and regulation

Lands Act 1996 provide for 3 modes to acquire customary land i) by agreement (s10); ii) by lease-leaseback (s11); and iii) by compulsory processes. In all these processes, it is a requirement that owners of the land must be consulted whereby consent may be obtained.⁸ It is also stipulated that the Minister must be reasonably satisfied that the land to be acquired is not needed by the landowner.

The lease leaseback mode of acquisition has currently and in the recent past years being a controversial matter whereby more than 5 million hectares of customary land were alleged to have been fraudulently converted to special purpose agriculture and business leases (SPABL) without the knowledge and consent of the traditional owners. A commission of inquiry was setup to investigate and currently, the Lands Minister is currently in the process of reviewing these leases as customary landowners, NGO partners and the public have expressed a lot of problems with these leases as they are used to clear forests by logging companies. The inquiry also recommended amendments to the Lands Act to address this issue.

Incorporated Land Groups (Customary) (Amendment) Act 2009 is an amendment of the Land Groups Incorporation Act 1974 which assist customary landowners to register their land groups as an attempt to formalise customary land.

Maritime Zones Act 2015 covers the environmental obligations for the protection of the marine environment from hazards and harmful activities including declaration of marine protected areas, fisheries reserves, and special marine sensitive areas including protection of heritage sites (s39-s41, s49-s50 of the Act).

The declaration of marine protected areas, declaration of fisheries reserves and declaration of special sensitive areas and declaration of protection of heritage sites are found in section 40 of the Act. A marine protected area can be designated subject to consultation between the Minister for Environment with Minister for Fisheries. That consultation is a prerequisite before any declaration of a marine protected area or a fisheries reserve is declared. Consequential amendment to the Conservation Areas Act, the application of the Act can now be extended to sea areas or offshore.

Crocodile (Trade & Protection) Act 1978 and its regulation applies specifically to crocodiles and provides for the protection by attempting to control and regulate the harvest of crocodiles and the exporting of by-products. The Act basically allows killing of crocodiles by only citizens however everyone who is not a citizen require a license to hunt crocodiles and export its by-products. Being one of those acts created well before independence it would have to be updated and the enforcement provisions revisited. The recent amendments to sections 1, 5-7, 10, 15, 17-18, 24 by the Crocodile Trade (Protection) (Amendment) Act No. 5 of 2014 provides for the CEPA Managing Director as the highest-level authority in decision-making.

Indigenous Rights

PNG has over 840 languages and is equally ethnically diverse. PNG is not a signatory to UN Declaration on the Rights of Indigenous Peoples as it regards that its people and customs are the majority. The term Indigenous is therefore not used in common speech to refer to Papua New Guineans collectively, for language groups or clans. Approximately 97% of land in the country is under customary ownership and mainly through clan groups. For coastal marine areas, the communities have customary rights for use of marine areas. Customary land tenure renders the need for adequate in-depth consultations and should be carried out over six or twelve months for customary landowners to meaningfully participate. Section 53 of the constitution recognizes customary rights over land. Although the right of indigenous peoples to own land is protected under the constitution, this only

⁸ Land Act 1996, Revised Laws of Papua New Guinea, Chapter 185 s10(4), s102(2), s12(1)(a)(b)(c) [Land Act]

applies to the first six feet below the surface of the land and the State owns the minerals and oil & gas resources. This is an ongoing contentious issue between the State and customary landowners. The State owns equity in the mining and petroleum resource Projects and has at times compromised its role as a regulator over its shareholding role.

2.2 International Agreements and Treaties

PNG is a signatory to several multilateral agreements and conventions that are relevant to the Project; including but not limited to the following:

- 1971 Convention on Wetlands of International Importance (Ramsar), ratified in 1993
- 1992 Convention on Biological Diversity, ratified in 1993
- Convention on the Protection of Natural Resources and the Environment in the South Pacific Region and related Protocols (PNRESPR, 1986)
- Convention on the Conservation of Nature in the South Pacific Region (Apia, 1996)
- Convention on the Protection of World Cultural and Natural Heritage (1997)
- 1992 United Nations Framework Convention on Climate Change
- 1995, Beijing Declaration (a resolution adopted by the UN at the end of the Fourth World Conference on Women on 15 September 1995. The resolution adopted to promulgate a set of principles concerning the equality of men and women)
- Revised Pacific Platform for Action 2004
- Convention on the Elimination of All forms of Discrimination Against Women (CEDAW)
- International Covenant on Civil and Political Rights (ICCPR)
- International Covenant on Economic, Social and Cultural Rights (ICCESCR)
- the International Convention for the Elimination of All Forms of Racial Discrimination (CERD)
- the Convention on the Rights of the Child (CRC)
- the Convention on the Rights of Persons with Disabilities (CRPD), ratified in 2013

For indigenous rights, PNG has not ratified either the ILO Convention on Indigenous and Tribal Peoples in Independent Countries 1989 (CITP) or the United Nations Declaration on the Rights of Indigenous Peoples.

Despite PNG ratifying International conventions, the reporting obligations are poor. For example, the reporting on the CBD is yet to be updated.

2.3 UNDP's Social and Environmental Standards

This ESMF has been prepared in line with UNDP's Social and Environmental Standards (SES), which came into effect 1 January 2015. These standards underpin UNDP's commitment to mainstream social and environmental sustainability in its programs and projects to support sustainable development and are an integral component of UNDP's quality assurance and risk management approach to programming. Through the SES, UNDP meets the requirements of the GEF's Environmental and Social Safeguards Policy.

The objectives of the SES are to:

- Strengthen the social and environmental outcomes of Programs and Projects
- Avoid adverse impacts to people and the environment
- Minimize, mitigate, and manage adverse impacts where avoidance is not possible
- Strengthen UNDP and partner capacities for managing social and environmental risks

- Ensure full and effective stakeholder engagement, including through a mechanism to respond to complaints from project-affected people

In accordance with UNDP SES policy, the Social and Environmental Screening Procedure (SESP) has been applied to the Project during the project development phase. In accordance with UNDP SES policy, a SES principle or standard is 'triggered' when a potential risk is identified and assessed as having either a 'moderate' or 'high' risk rating based on its probability of occurrence and extent of impact. Risks that are assessed as 'low' do not trigger the related principle or standard.

The screenings conducted during project development indicate that five of the nine social and environmental principles and standards have been triggered across the Project due to 'moderate' risks:

- Principle 1: Human Rights (due to duty bearers' limitations being well known and that the project influence is limited; and due to rights-holders not having the capacity to claim their rights due to their own limited knowledge/capacity/power)
- Principle 2: Gender Equality (due to women's groups/leaders raising gender equality concerns, and the prevalence of gender-based violence.) Integrated and made conditional for project activities, but serious problems to be addressed.
- Standard 1: Biodiversity Conservation and Sustainable Natural Resource Management. This is an integral part of the Project design.
- Standard 2: Climate Change Mitigation and Adaptation (due to the risk that project outcomes will be vulnerable to impacts of climate change). This important but outside scope of Project/period.
- Standard 6: Indigenous Peoples. All proposed project areas are owned by indigenous peoples.

3 Procedures for Screening, Assessing and Managing Social and Environmental Impacts

This ESMF has been developed as part of UNDP's due diligence process in the project cycle, following the screening of the UNDP-supported *Sustainable Finance of Papua New Guinea's Protected Area Network* Project with the SESP template. Based on the project risk categorization and the specific risks, the following procedures for screening, assessing and managing those risks must be undertaken, as follows.

- a) **Targeted assessment of potential social and environmental risks:** In accordance with UNDP SES policy, Moderate Risk projects can require targeted or focused forms of social and environmental assessment. For *the Sustainable Financing of Papua New Guinea's Protected Area Network* project, a targeted assessment of the potential social and environmental risks identified in the SESP (and any new risks identified at project start) will be undertaken by independent experts. The SESP completed for this Project during the project development phase will be used as the basis of this targeted assessment. The assessments will include appropriate and meaningful consultations with affected communities, and will follow UNDP's policy on free, prior and informed consent (FPIC) throughout the assessments.
- b) **Assessment report and identified management measures (Indigenous Peoples Plan, ESMP):** Identification of time-bound measures to avoid, reduce, mitigate and manage potential impacts will be captured in an assessment report and revised SESP. The Project must have an Indigenous Peoples Plan (IPP), which could be presented within an Environmental and Social Management Plan (ESMP), if deemed necessary during the targeted assessments. In either case (ESMP or IPP), at a minimum, the output of the targeted assessment must include:
 - Summary of identified adverse social and environmental risks and impacts that could not be avoided or remain after impact minimization efforts;
 - Baseline for social and environmental impacts;
 - Review the Gender Analysis and Action Plan, and outline additional specific actions and/or updates;
 - Stakeholder engagement, including FPIC consultations with indigenous peoples, and plan for stakeholder engagement during implementation of management measures;
 - Resource capacity recommendations for the PIU;

- Actions to implement mitigation measures for each identified risk and impact;
- A monitoring and reporting plan;
- Implementation schedule, cost estimates and funding sources.

The Plan(s) should also consider linkages to the District and Provincial Development Plans for respective pilot sites. Site-specific plans could be prepared in addition to the project-level ESMP/IPP, as deemed appropriate.

As in the assessments, FPIC will be applied throughout the process of developing the management plans, and also will be built into the fabric of those management plans, to ensure that FPIC is applied throughout implementation of the entire project, as required by UNDP SES.

Further information on stand-alone management plans can be found on the UNDP website at:
https://info.undp.org/sites/bpps/SES_Toolkit/SitePages/Guidance%20and%20Templates.aspx.

The above required assessments and management plans must be prepared and mitigation measures in place, per those plans, prior to the initiation of any project activity that may cause adverse impacts, in particular any actions that may lead to or cause physical or economic displacement, and impacts on indigenous peoples.

Screening:

During implementation, this Project will be re-screened with the UNDP SESP as needed in the course of required assessments or stand-alone management plan; when determined necessary by the Project Manager, PIU's Social and Environment Safeguards Officer, the Project Steering Committee, or UNDP; as outlined in the resulting management plan(s); and/or when project circumstances change in a substantive or relevant way.

4 Institutional arrangements and capacity building

4.1 Roles and responsibilities for implementing this ESMF

The roles and responsibilities of project staff and associated agency or group in implementation of this ESMF is as follows. This ESMF does not cover the roles and responsibilities associated with implementation of the subsequent management plans (IPP, other stand-alone management plans, and/or ESMP); those will be defined in the subsequent management plan(s) that is developed during the project start-up phase, as required in this ESMF.

Implementing Partner:

The Implementing Partner for this Project is the Conservation and Environment Protection Authority (CEPA) under the Ministry of Environment, Conservation and Climate Change (MOECCC). It should be noted also that the sub-national government level entities are crucial to the success of the Project but with CEPA taking the lead.

- Ensure that the required assessments (targeted assessments, as above) and assessment report and the required management plan(s) (stand-alone management plan, as above) are developed, disclosed for public consultation and approved, and management measures are adopted and integrated during project implementation;
- Report, fairly and accurately, on project progress against agreed work plans in accordance with the reporting schedule and required formats;
- Maintain documentation and evidence that describes the proper and prudent use of project resources in conformity to the signed Project Document and in accordance with applicable regulations and procedures (e.g. SES);
- Ensure all requirements of UNDP's SES and national regulatory/policy frameworks and relevant international standards have been addressed (e.g. mitigation of voluntary resettlement impacts);
- Hold responsibility and accountability to UNDP for overall management of the project, including compliance with UNDP SES.

Project Board**Table 1: Project Board composition**

Executive	Director of Sustainable Environment Program of CEPA
Senior Suppliers	Individual or Group representing the interests of the parties concerned which provide funding and/or technical expertise to the project (designing, developing, facilitating, procuring & implementing)
Senior Beneficiaries	Individual or Group representing the interests of those who will benefit from the Project

- Monitor implementation of this ESMF and compliance with national and international regulations, and UNDP social and environmental standards;
- Decision making for the adoption of necessary measures including full integration of management measures within project Outputs and annual work plans;
- Establish and support GRM mechanism to address any grievances.
- Provide strategic guidance to implementation of the Project including oversight for safeguards and the implementation of this ESMF.

UNDP:

- Provide oversight on all matters related to safeguards;
- Inform all the stakeholders and right-holders involved in, or potentially impacted, positively or negatively, by the GEF-financed projects, about the UNDP's corporate Accountability Mechanism (described below);
- Ensure that the Compliance Review and the Stakeholder Response Mechanisms are operational during the lifetime of the projects;
- Ensure adhere to the SES for project activities implemented using funds channelled through UNDP's accounts, and undertake appropriate measures to address any shortcomings;
- Verify and document that all UNDP SES requirements have been addressed;
- Provide technical guidance on implementation of this ESMF and administrative assistance in recruiting and contracting expert safeguards services (as required), and monitor adherence of each project to the ESMF and UNDP policies and procedures.

Project Management Unit:

- Supervise and manage implementation of measures defined in this ESMF;
- Assign specific responsibilities for implementation of this ESMF, including monitoring, and community consultations on the draft management plan(s) to the Social and Environment Safeguards Officer (SESO) of the PIU;
- Maintain relevant records associated with management of environmental and social risks, including updated SESPs, impact assessments, evidence of consultations and FPIC, a log of grievances together with documentation of management measures implemented;
- Report to the Implementing Partner, the Project Board on the implementation of the ESMF;
- Ensure that all service providers are informed of their responsibilities for the day to day compliance with the ESMF.

As noted above, the subsequent management plan(s) will describe the roles and responsibilities in the implementation of that plan(s). Those new roles and responsibilities will be assessed and integrated, as appropriate, as part of the participatory decision making and implementation proceedings of the project.

4.2 Capacity Building

Specialists with relevant expertise in social and environmental safeguards will be engaged to support the completion of targeted assessments and the management plans (IPP, other stand-alone management plans,

and/or ESMP). These experts will offer an induction session for Project Management Units (and implementing partners, as needed) on safeguards responsibilities and approaches.

The UNDP-GEF Unit will provide advice to project teams as needed to support the implementation of this ESMF and the preparation, implementation and monitoring of social and environmental management plans/measures.

The Project Board will have the final responsibility for the integration of the management plans in the execution of the project. The integration of those plans will need to be considered, particularly the institutional needs within the implementation framework for application of the management plan(s), including a review of the required budget allocations for each measure, as well as the authority and capability of institutions at different administrative levels (e.g. local, regional, and national), and their capacity to manage and monitor management plan implementation. Where necessary, capacity building and technical assistance activities will be included to enable proper implementation of the management plan(s).

5 Stakeholder engagement and information disclosure

Discussions with project stakeholders, including local communities at project sites, commenced during the project development phase. The Project Document has an annexed Stakeholder Engagement Plan (ProDoc Annex J), which will be followed to ensure that stakeholders are engaged in project implementation and particularly in the further assessment of social and environmental impacts and the development of appropriate management measures. The Stakeholder Engagement Plan will be updated during project implementation based on the assessments and management plans conducted in line with this ESMF, as needed.

Potentially affected stakeholders will be engaged during the implementation of this ESMF, and following FPIC requirements.

As part of the stakeholder engagement process, UNDP's SES require that project stakeholders have access to relevant information. Specifically, the SES (SES, Policy Delivery Process, para. 21) stipulates that, among other disclosures specified by UNDP's policies and procedures, UNDP will ensure that the following information be made available:

- Stakeholder engagement plans and summary reports of stakeholder consultations
- Social and environmental screening reports with project documentation
- Draft and final social and environmental targeted assessments, including stand-alone plans
- Any required social and environmental monitoring reports.

As outlined in the SES and UNDP's Social and Environmental Screening Procedure (SESP), the type and timing of assessments and management plans vary depending of the level of social and environmental risk associated with a project as well as timing of the social and environmental assessment.

This ESMF (and project SESP) will be disclosed via the UNDP PNG website in accordance with UNDP SES policy. The subsequent management plan(s) will also be publicly disclosed via the UNDP PNG website once drafted, and finalized and adopted only after the required time period for disclosure has elapsed.

These requirements for stakeholder engagement and disclosure will be adhered to during the implementation of this ESMF, and the subsequent implementation of the resulting management plans.

6 Accountability and Grievance Redress Mechanisms

6.1 UNDP's Accountability Mechanisms

UNDP's SES recognize that even with strong planning and stakeholder engagement, unanticipated issues can still arise. Therefore, the SES are underpinned by an Accountability Mechanism with two key components:

1. A Social and Environmental Compliance Review Unit (SECU) to respond to claims that UNDP is not in compliance with applicable environmental and social policies; and
2. A Stakeholder Response Mechanism (SRM) that ensures individuals, peoples, and communities affected by projects have access to appropriate grievance resolution procedures for hearing and addressing project-related complaints and disputes.

UNDP's Accountability Mechanism is available to all of UNDP's project stakeholders.

The Social and Environmental Compliance Unit (SECU) investigates concerns about non-compliance with UNDP's Social and Environmental Standards and Screening Procedure raised by project-affected stakeholders and recommends measures to address findings of non-compliance.

The Stakeholder Response Mechanism helps project-affected stakeholders, UNDP's partners (governments, NGOs, businesses) and others jointly address grievances or disputes related to the social and/or environmental impacts of UNDP-supported projects.

Further information, including how to submit a request to SECU or SRM, is found on the UNDP website at: <http://www.undp.org/content/undp/en/home/operations/accountability/secu-srm/>.

6.2 Project-level Grievance Redress Mechanisms

As described in the Project Document, the Project will establish a project-level Grievance Redress Mechanism (GRM) during the first year of implementation. The full details of these GRMs will be agreed upon during the Inception Phase, a process that will be overseen by the Project Manager with the Project Safeguards Officer (SESO).

Interested stakeholders may raise a grievance at any time to the Project Management Unit, the Executing Agency (UNDP), Implementing Agency (CEPA), or the GEF.

7 Budget for ESMF Implementation

Implementation of ESMF is included in the support budget for the Project with an estimated cost shown in **Table** below. Costs associated with the coordination of ESMF implementation by the PIU or UNDP are not fully costed. Further detail is found in the budget of the Project Document.

Table 2: Breakdown of costs for ESMF implementation

Item	Budget Cost (USD)
International and national consultants, (costs in addition to SESO)	\$55,000
Travel expense for consultations	\$20,000
Audio-visual & print production expenses	\$1,000
Total:	\$76,000

8 Monitoring and evaluation arrangements

Reporting on progress and issues in the ESMF implementation will be documented in the project quarterly reports and annual project implementation reports (PIRs). The management plan(s) will specify their own monitoring and evaluation parameters. The PIU Social and Environment Safeguards Officer (SESO) and Project Manager will be responsible for implementation and compiling reports on the ESMF implementation, until the subsequent management plan(s) is in place. Key issues will be presented to the respective Project Board during each meeting, as required.

The ESMF monitoring and evaluation plan is outlined below in **Table 3**.

Table 3: ESMF M&E plan and estimated budget

Monitoring Activity & Relevant Projects	Description	Frequency / Timeframe	Expected Action	Roles and Responsibilities	Cost
Track progress of ESMF implementation	Monitoring and reporting of ESMF implementation, with key results and issues presented to the Project Board on a regular basis	Quarterly or until the mgt. plan is in place	ESMF requirements are completed for this Project	Project Manager and SESO	None
Development of targeted assessments and report, and management plan(s) (IPP, other stand-alone management plan, and/or ESMP)	Carried out in a participatory manner, targeted analysis of potential impacts, as well as identification and validation of management measures, drafted in participatory manner.	In the 6 months following the Inception workshop	Potential impacts are assessed with support of external consultants and participation of project team and stakeholders; targeted assessment report completed; an Indigenous Peoples Plan and, as determined by the targeted assessments, other management plans will be developed; management actions will be identified and incorporated into project implementation strategies. It is anticipated that each pilot site be sampled.	International and national consultants (environmental and social) Project Manager and SESO with guidance from UNDP	USD 76,000
Implementation of management measures and monitoring of potential impacts identified in targeted assessments, in line with the subsequent management plans.	Permanent and participatory implementation and monitoring of management measures, in accordance with findings of targeted assessments.	Continuous, once assessment is complete and management plan is in place	Implementation of stand-alone management plans; participatory monitoring; integration of management plans into project implementation strategies	Project Manager, Social and Environment Safeguards, oversight by UNDP CO, PB	TBD, based on the result of assessment
Learning	Knowledge, good practices and lessons learned regarding social and environmental risk management will be captured regularly, as well as actively sourced from other projects and partners and integrated back into the project.	At least annually	Relevant lessons are captured by the project teams and used to inform management decisions.	Project Manager and SESO	None
Annual project quality assurance	The quality of the project will be assessed against UNDP's quality standards to identify project strengths and weaknesses and to inform management decision making to improve the project	Annually	Areas of strength and weakness will be reviewed and used to inform decisions to improve project performance	UNDP CO, UNDP-GEF RTA, Project Manager and Project SESO	None
Review and make course corrections	Internal review of data and evidence from all monitoring actions to inform decision making	At least annually	Performance data, risks, lessons and quality will be discussed by the project steering	Project and/or Program Steering Committees	None

Monitoring Activity & Relevant Projects	Description	Frequency / Timeframe	Expected Action	Roles and Responsibilities	Cost
			committee and used to make course corrections	(considering stakeholders' opinions)	
Annual project implementation reports	As part of progress report to be presented to the Project Steering Committee and key stakeholders, analysis, updating and recommendations for risk management will be included	Annually	Updates on progress of ESMF/ESMP will be reported in the project's annual PIRs. A summary of the avoidance and mitigation of potential social and environmental impacts will be included in the program annual report, sharing best practices and lessons learned across the program.	UNDP CO, UNDP-GEF RTA and Project Manager	None
Project review	The Project Steering Committee will consider updated analysis of risks and recommended risk mitigation measures at all meetings	At least annually	Any risks and/ or impacts that are not adequately addressed by national mechanisms or project team will be discussed in project steering committee. Recommendations will be made, discussed and agreed upon.	Project Board, UNDP-GEF RTA, Project Manager, SESO	None